

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6084**

**BILL NUMBER:** SB 297

**NOTE PREPARED:** Mar 31, 2015

**BILL AMENDED:** Feb 23, 2015

**SUBJECT:** Small Brewer Barrel Limits.

**FIRST AUTHOR:** Sen. Alting

**FIRST SPONSOR:** Rep. Dermody

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill changes the number of barrels of beer that a small brewer may manufacture in a calendar year for sale or distribution within Indiana from 30,000 to 90,000. It provides that the barrel limits apply to the aggregate number of barrels of beer that the small brewer manufactures at all the small brewer's breweries. The bill prohibits a small brewer from selling and delivering more than a total of 30,000 barrels of beer in a calendar year directly to a person holding an alcoholic beverage retailer or dealer permit. It also makes conforming changes to brewery and brewer permit provisions. It makes a technical correction.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** The Alcohol and Tobacco Commission may be required to make administrative changes to allow for the increased limit on microbreweries. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of State Revenues: Summary-** The bill increases the amount of beer a microbrewery may manufacture each year from 30,000 barrels to 90,000 barrels. The bill could potentially increase total beer sales by an indeterminable amount, therefore increasing state revenue from the alcoholic beverage tax and sales tax. The amount of increased tax revenue will ultimately depend on the extent of the increase in total beer sales in the state.

**Additional Information -** The alcoholic beverage tax on beer is equal to \$0.115 per gallon. Revenue is

distributed to the state General Fund (\$0.04), Post War Construction Fund (\$0.0475), Enforcement and Administration Fund (\$0.0075), and Addiction Services Fund (\$0.02). Fifty percent of the General Fund distribution is allocated to cities and towns according to a formula based on population.

Sales tax revenue is deposited in the state General Fund (98.848%), Motor Vehicle Highway Account (1%), Commuter Rail Service Fund (0.123%), and Industrial Rail Service Fund (0.029%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Local revenues could increase to the extent that a local unit receives funds from alcoholic beverage tax and sales tax revenue.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Lauren Tanselle, 317-232-9586.